

FILED 10 NOV 05 11:05 USDC-ORP

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INTRODUCTION

1. This is a civil action to collect from defendant, 911 Management, LLC., a liability imposed upon the defendant, pursuant to 26 U.S.C. § 6332(d)(1) for its failure or refusal to surrender property or rights to property that was subject to an Internal Revenue Service (“IRS”) levy sent to 911 Management, LLC, on February 20, 2008, to collect the liabilities of Thomas and Kathy Weathers (“the Weatherses”), for unpaid federal income taxes (Form 1040) for tax years 1996 and 1998 through 2006. In addition, the United States asserts a 50% penalty pursuant to 26 U.S.C. § 6332(d)(2) against defendant, 911 Management, LLC and defendant Daniel Dent for failure to surrender property or rights to property that was subject to an IRS levy without reasonable cause.

JURISDICTION AND VENUE

2. This action is commenced under sections 7401 of the Internal Revenue Code, at the direction of the Attorney General of the United States and with the authorization of the Associate Area Counsel of the Internal Revenue Service, a delegate of the Secretary of the Treasury.

3. The Court has jurisdiction over this action pursuant to 28 U.S.C. §§ 1340 and 1345 and 26 U.S.C. § 7402.

4. Venue is proper in this judicial district pursuant to 28 U.S.C. § 1396 because it is the judicial district within which 911 Management, LLC has its principal place of business, because a substantial part of the events or omissions giving rise to the claims herein occurred in the District of Oregon, and because Daniel Dent resides in the District of Oregon.

CLAIM FOR RELIEF:
FAILURE TO HONOR LEVY

5. On the dates and in the amounts set forth below, a delegate of the Secretary of Treasury made assessments for unpaid federal income taxes (IRS Form 1040) against the Weatherses for the tax period ending December 31, 1996, as follows:

TYPE OF TAX	TAX PERIOD	DATE OF ASSESSMENT	AMOUNT DUE THROUGH SEPTEMBER 30, 2009
1040	12/31/1996	11/17/1997	\$41,923.62

6. Despite proper notice and demand for payment of the assessments, the Weatherses have failed or refused to fully pay the assessments, plus statutory additions.

7. On the dates and in the amounts set forth below, a delegate of the Secretary of Treasury made assessments for unpaid federal income taxes (IRS Form 1040) against Kathy Weathers for the tax periods ending December 31, 1998, December 31, 1999, December 31, 2000, December 31, 2001, December 31, 2002, December 31, 2003, December 31, 2004, December 31, 2005, and December 31, 2006 as follows:

TYPE OF TAX	TAX PERIOD	DATE OF ASSESSMENT	AMOUNT DUE THROUGH SEPTEMBER 30, 2009
1040	12/31/1998	11/19/2007	\$6,863.73
1040	12/31/1999	11/19/2007	\$6,522.08
1040	12/31/2000	11/19/2007	\$7,001.14
1040	12/31/2001	11/19/2007	\$7,352.68
1040	12/31/2002	11/19/2007	\$6,539.36
1040	12/31/2003	11/19/2007	\$6,507.74
1040	12/31/2004	11/05/2007	\$5,908.71

TYPE OF TAX	TAX PERIOD	DATE OF ASSESSMENT	AMOUNT DUE THROUGH SEPTEMBER 30, 2009
1040	12/31/2005	11/05/2007	\$5,321.98
1040	12/31/2006	11/12/2007	\$19,186.84
TOTAL:			\$71,204.26

8. Despite proper notice and demand for payment of the assessments, Kathy Weathers has failed or refused to fully pay the assessments, plus statutory additions.

9. Pursuant to 26 U.S.C. §§ 6321 and 6322, tax liens arose on the dates of assessments in favor of the United States against all property and rights to property of the Weatherses.

10. Kathy Weathers is a member of 911 Management, LLC, and receives regular membership distributions as well as other income from 911 Management, LLC.

11. On February 20, 2008, the IRS issued and personally served the defendant, 911 Management, LLC's manager defendant Daniel Dent, a Notice of Levy on Wages, Salary, and Other Income (Form 668-W) notifying it of the taxes due and owing from the taxpayers, the Weatherses, with respect to the assessments described in paragraph 5, above, and demanding the surrender to the Secretary of the Treasury or his delegate all of the Weatherses' wages, salaries, and/or commissions that had been earned but not yet been paid, as well as wages, salary, and/or commissions earned in the future, until the levy was released, and any other income of the Weatherses that 911 Management, LLC had become obligated to pay.

12. At the time the Notice of Levy was served on February 20, 2008, 911 Management, LLC owed the Weatherses wages, salary, commissions, and/or other income,

including a monthly rent obligation owed by the Weathers and paid on their behalf by 911 Management, LLC.

13. On April 1, 2008, the IRS issued and personally served the defendant, 911 Management, LLC's manager defendant Daniel Dent, a Final Demand for Payment (Form 668-C) providing that if defendant did not comply with the Notice of Levy within five days, then the Internal Revenue Service would consider the failure to comply as a final refusal and may begin proceedings under 26 U.S.C. § 6332.

14. On February 20, 2008, the IRS issued and personally served the defendant, 911 Management, LLC's manager defendant Daniel Dent, another Notice of Levy on Wages, Salary, and Other Income (Form 668-W) notifying it of the taxes due and owing from the taxpayer, Kathy Weathers, with respect to the assessments described in paragraph 7, above, and demanding the surrender to the Secretary of the Treasury or his delegate all of Kathy Weathers' wages, salaries, and/or commissions that had been earned but not yet been paid, as well as wages, salary, and/or commissions earned in the future, until the levy was released, and any other income of Kathy Weathers that 911 Management, LLC had become obligated to pay.

15. At the time the Notice of Levy was served on February 20, 2008, 911 Management, LLC owed Kathy Weathers wages, salary, commissions, and/or other income for her ownership interest in 911 Management, LLC.

16. On April 1, 2008, the IRS issued and personally served the defendant, 911 Management, LLC's manager defendant Daniel Dent, a Final Demand for Payment (Form 668-C) providing that if defendant did not comply with the Notice of Levy within five days, then the Internal Revenue Service would consider the failure to comply as a final refusal and may begin

proceedings under 26 U.S.C. § 6332.

17. After the date that the Notices of Levy were served upon 911 Management, LLC, 911 Management, LLC, and Daniel Dent paid wages, salaries, commissions, and/or other income to the Weatherses and to Kathy Weathers, individually.

18. 911 Management, LLC and Daniel Dent were required to surrender property belonging to the Weatherses and to Kathy Weathers, individually, which was the subject of the IRS's levies.

19. More than 21 days have passed since service of the Notices of Levy upon 911 Management, LLC, the levies have not been released, and 911 Management, LLC and Daniel Dent have refused to surrender or pay over to the United States (through the IRS) any wages, salary, commissions, and/or other income, or any property or rights to property held by 911 Management, LLC for the Weatherses and Kathy Weathers, individually.

20. As a result of 911 Management, LLC's and Daniel Dent's continuing failure to honor the aforesaid levies and surrender the property belonging to the Weatherses and to Kathy Weathers, individually, 911 Management, LLC and Daniel Dent are liable to the United States, pursuant to 26 U.S.C. § 6332 in a sum equal to the value of the property or rights to property they failed to surrender.

21. At the time the Notices of Levy were served, Daniel Dent was the Manager of 911 Management, LLC, and had the ability to direct payment of funds to the IRS rather than to the Weatherses or to Kathy Weathers, individually. As the sole manager of 911 Management, LLC, Daniel Dent had a duty to make any membership distributions and to honor any contracts entered into by 911 Management, LLC.

22. On September 10, 2009, 911 Management, LLC was found to be the Weatherses' nominee and alter ego. See 911 Management, LLC v. United States, 657 F. Supp. 2d 1186 (D. Or. 2009).

23. 911 Management, LLC and Daniel Dent did not have reasonable cause not to surrender the property belonging to the Weatherses and to Kathy Weathers, individually, and are liable to the United States, pursuant to 26 U.S.C. § 6332(d)(2) in a sum equal to 50% the value of the property or rights to property they failed to surrender.

PRAYER FOR JUDGMENT

WHEREFORE, the plaintiff, the United States of America, prays as follows:

A. The Court enter a judgment against defendants, 911 Management, LLC, and Daniel Dent for the liability imposed upon them pursuant to 26 U.S.C. § 6332(d)(1), in an amount equal to the lesser of the value of property or rights to property of the Weatherses or Kathy Weathers, individually, in their possession on February 20, 2008, the date on which the Levies were served upon it, plus interest as provided by law, or the unpaid tax liabilities of the Weatherses or Kathy Weathers, individually, including statutory accruals and interest, for which the Levies were issued;

B. The Court enter a judgment against defendants, 911 Management, LLC, and Daniel Dent for the liability imposed upon them pursuant to 26 U.S.C. § 6332(d)(2) for failing, without reasonable cause, to honor the levies in an amount equal to the lesser of fifty percent (50%) of the value of property or rights to property of the Weatherses or Kathy Weathers, individually, in their possession on February 20, 2008, the date on which the Levies were served upon it, plus interest as provided by law, or fifty percent (50%) of the unpaid tax liabilities of the Weatherses or Kathy

Weathers, individually, including statutory accruals and interest, for which the Levies were issued.

C. The Court award the United States its costs and any other relief that this Court deems appropriate.

Respectfully submitted this 4th day of November, 2010.

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